



SUSTAINABILITY REPORT

OF OBOLON CORPORATION

2015



CONTENTS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
OANNUAL REPORT 2015

CORPORATION

- 3 KEY FACTORS IN 2015
- 6 STATEMENT FROM THE PRESIDENT
- 7 SOCIAL MISSION
- 8 REPUTATION
- 9 BUSINESS OPERATIONS STANDARDS
- 11 CORPORATE STRUCTURE
- 12 CORPORATE MANAGEMENT
- 13 STAKEHOLDERS

PRODUCTION

- 18 BRAND PORTFOLIO
- 19 MANAGEMENT SYSTEM
- 20 INNOVATIONS
- 21 TECHNOLOGIES

PEOPLE

- 23 WORKING ENVIRONMENT
- 25 LIFE AND HEALTH
- 28 ETHICS AND EQUAL RIGHTS
- 30 PERSONNEL DEVELOPMENT
- 31 INCENTIVES AND MOTIVATION

ECONOMICS

- 34 FINANCIAL AND ECONOMICS RESULTS
- 35 PRODUCTION INDICATORS
- 36 EFFICIENT ACTIVITY
- 39 RISKS

ENVIRONMENT

- 43 EFFICIENT USE OF RESOURCES
- 46 WASTELESS PRODUCTION

SOCIETY

- 49 DEVELOPMENT OF REGIONS
- 57 PROMOTION OF SPORTS
- 58 EDUCATIONAL PROJECTS
- 58 SPONSORSHIP AND VOLUNTEERING
- 59 SUSTAINABLE DEVELOPMENT PLANS FOR 2016-2017
- 60 ABOUT REPORT
- 61 CORPORATE MANAGEMENT
- 62 CONTACTS

KEY FACTORS 2015

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

UAH 1,1 billion

paid taxes

UAH 760,9 millions

paid excises

76 million dal

beverage produced

154,2 million units

of preforms released company



29% women

in the structure of corporation's employees

254 employees

with special needs

254 employees

regular blood donors

UAH 2,02 millions

Invested into occupational safety

UAH 5 047

Average salary at the corporation's enterprises

9,6%

Company's personnel turnover rate

16

hours

The average duration of professional training

KEY FACTORS 2015

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

Ecology



−16,8%

— natural gas consumption

−13,6%

— water consumption

−1,4 tons

— reduced emissions to the atmosphere

−12,3%

— less CO2 emissions

80%

— proper recycling and reuse of waste

Finance



UAH 64,8 millions

— investments in own production

UAH 5,99 millions

— investments in health and safety

UAH 2,7 millions

— investments in sponsorship and charity

UAH 2 millions

— investments in local communities development

UAH 1 millions

— support the military forces

Projects



430 thousand liters

of beverages for sponsorship and charity

336 students

passed educational and industrial practice

4 126 persons

visited Obolon brewery

24 thousand calls

received on the Hotline in 2015

41% employees

passed training and testing on labor protection



CORPORATION

APPEAL FROM THE PRESIDENT

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

Dear partners, colleagues and consumers,

I hereby present you the eighth non-financial report on sustainable development of Obolon Corporation. This document is prepared based on the records of corporate structures (except for Sevastopol plant located at the occupied territory of the AR Crimea) during 2015. During this period the company continued the communication of the previous GRI Report version 4.

The reporting year became a year of changes and challenges for each of us. Unstable macroenvironment, the fervor of the military conflict and loss of certain territories impacted both on the activities of the corporation and approaches to our responsibilities. As the largest Ukrainian manufacturer, Obolon did not stand aside the crucial events in the country. We continue to invest in the national economy, people, environment, culture and sports.

From the beginning its work on the Ukrainian market, Obolon clearly set its social priorities. They remain unchanged to this day. The corporation cares about its staff, is thoughtful regarding the environment, supports local communities and develops culture and sports in Ukraine. However, events which occurred in the country over the last year have shifted the social accents in the work of the company. We have reconsidered communications with key stakeholders, having enhanced the dialogue with the state, law enforcement structures and volunteer organisations.

In spite of the difficult situation in Ukraine and the unstable macroeconomic environment, sustained development is key to a common future. We continue building relations of trust and mutual understanding with all stakeholder groups. And these steps are reciprocated. For 36 years of operation, Obolon remains a responsible employer, reliable partner and transparent market player. Time has not broken us but only prepared us for further events and challenges. And I know that we will make it.

Today Obolon presents the eighth Social Progress Report of the Corporation. I hope that with joint efforts of business, the state and society Ukraine will become a strong and independent European country.

Oleksandr Slobodian
President of Obolon Corporation



SOCIAL MISSION

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ANNUAL REPORT 2015

Sustainable development for Obolon Corporation is not only a factor of effectively work, but the component of responsible behavior to employees, community and environment.

Social mission

produce useful and safe drinks with caring for people and responsibility for environment

Social goal

balance of economic, social and environmental benefits by integrating sustainable development and corporate interests

Philosophy of sustainable development

«Good deeds for many years»

Sustainable development of the corporation

People

Employees are the key asset of the corporation, forming a special labour culture and distinguishing Obolon from its competitors.

Ecology

Minimal environmental impact of the company is secured by recycling and reuse of resources and energy efficient technologies.

Local communities

Community support in the regions where corporate companies operate is the basis for mutually beneficial cooperation.

Culture and sport

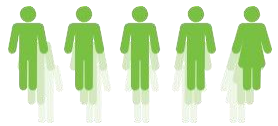
Investing into the development of the cultural environment, Obolon contributes to supporting authentic Ukrainian traditions.

REPUTATION

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ANNUAL REPORT 2015

5296

people employed



1535

women



1834

engineers



249

employers
with special
needs



Ukrainian beer market

27,7% Obolon Corporation`s share



Every fourth bottle is produced by Obolon corporation

Beer exports from Ukraine

49% Obolon Corporation`s share



2 of 4 bottles of export beer is produced by Obolon Corporation

UAH 3,19 billion

sales revenue



UAH 1,28 billion

total tax and duty payment



UAH 12,9 million

social investments

BUSINESS OPERATIONS STANDARDS



VALUES OF OBOLON CORPORATION



Quality

Focusing on producing drinks compliant with high standards of quality and safety.



Professionalism

Well-coordinated and skilled work of the employees.



Safety

Responsibility for life and health of employees and consumers.



Effectiveness

Considerable output of environmental and industrial safety activities.



Team spirit

Single «family» of like-minded people with common values

BUSINESS OPERATIONS STANDARDS

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ANNUAL REPORT 2015

COMPONENTS OF RESPONSIBLE WORK

Code of ethics

Gender Plan

National legislation

International Law

10 UN Global Compact fundamentals

Market «fair play»

Anti-bribery policy

Responsible procurement

Responsible marketing

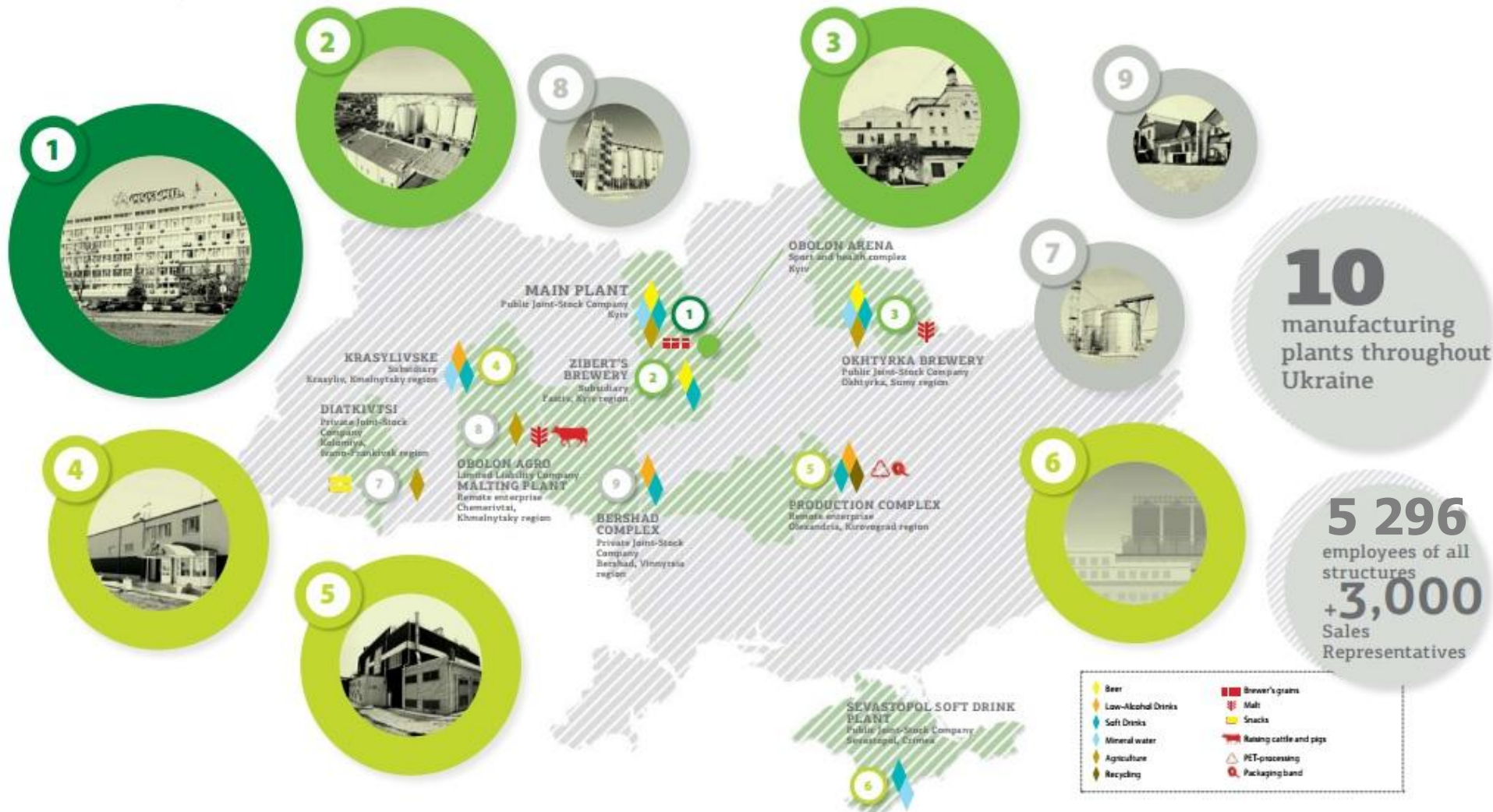
- respecting one's competitor
- respecting the rules of business and decisions of the authorities
- avoiding unfair competition equal chances for success

- provisions on labour rights, responsibilities of the employees and labour relations
- provisions on the choice of suppliers of goods, works and services
- provisions on contractual work in the corporation

- 'Consume Responsibly' programme
- •No beer sampling in trade networks and sales outlets
- Warnings on drinks labels
- Product portfolio includes non-alcoholic beer

CORPORATE STRUCTURE

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ANNUAL REPORT 2015



CORPORATE MANAGEMENT

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ANNUAL REPORT 2015

SENIOR MANAGEMENT



Oleksandr Slobodian

President of the Corporation

«We live in rather interesting but difficult times. Today Ukraine faces serious challenges of loss of territorial integrity, economic recession and problems of the internally displaced. At the same time, climate change, natural resources and fresh water depletion are globally important issues. The time will come for Ukraine to consider these issues. Today our common task is timely preparation for the challenges of the future. We began with our own social responsibility more than 20 years ago. And today we are still going in the right direction».



Ihor Bulakh

CEO

«There are many of manufacturers in Ukraine today that produce high-quality goods and services. The distinguishing feature of Obolon Corporation is its rich history, deeply enrooted traditions and hard work of the Ukrainian people. Another important factor for our products is the social component developed from the moment of the company's incorporation. For three decades Obolon has been implementing its corporate ambitions and developing each of the four social responsibility directions in order to present to the world the best samples of unique and authentic Ukrainian goods».



Serhii Bloshchanevych

Chairman of the Shareholder's Council, Director of Personnel Management

«People are the main capital of the Obolon Corporation. People produce drinks, form the reputation and increase the company's assets. Each day Obolon works on improving social programmes and the well-being of the company's key stakeholders. Each year the company invests in the development of its employees. Their qualification and interest in the results of their work provide the efficiency and sustained character of business processes in the corporation».

STAKEHOLDERS

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ANNUAL REPORT 2015

Stakeholder groups	Corporation's liabilities	Communication and frequency tools
Shareholders: holders of shares, banking structures and investment funds	<ul style="list-style-type: none"> Forming the corporation's values Timely notification Risk prevention and management 	<ul style="list-style-type: none"> Financial statements (annual) Meetings of subscribers (annual/quarterly) Official website of the corporation Sustainable development ratings (annual)
Personnel: employees, directors, trade unions	<ul style="list-style-type: none"> Occupational safety Competitive salaries Absence of discrimination and equal rights Gender equality Professional development investments Result acknowledgement 	<ul style="list-style-type: none"> Research, surveys (annual/as needed) Focus groups (as needed) Exchange of specialists (as needed) Cooperation with the trade union (regular) Intranet, corporate mass media (daily/quarterly)
Consumers: domestic and international	<ul style="list-style-type: none"> Product quality Innovations Responsible consumption Access to information on the products and company Social responsibility 	<ul style="list-style-type: none"> Corporate website (daily) Social media (daily) Promotion Hotline (daily) Tour programme Research (as needed)
Local communities: population of regions where the companies are located, NGOs, funds and associations	<ul style="list-style-type: none"> Job creation and tax payment Environmental protection Social and cultural projects Development of volunteering projects Partnership 	<ul style="list-style-type: none"> Meetings, direct communication, projects (as needed) Site tours (daily/on request) Report on sustainable development (annual) Corporate website, social networks (daily)
Authorities and mass media: branch-regulating authorities and organisations, media	<ul style="list-style-type: none"> Provision of information on activities Tax payment Observing the law Timely request fulfillment 	<ul style="list-style-type: none"> Press releases, comments (as needed) Press conferences (as needed) Representation in management authorities Reporting (annual/quarterly) Social media (daily)
Partners and financial institutions: suppliers, distributors, banks	<ul style="list-style-type: none"> Fair competition Transparent procurement Ethical conduct Fulfillment of all agreements and liabilities Guarantee assurance Anti-bribery procedures 	<ul style="list-style-type: none"> Official website Report on sustainable development (annual) Workshops, presentations (as needed) Industry fairs (annually/as needed)

STAKEHOLDERS

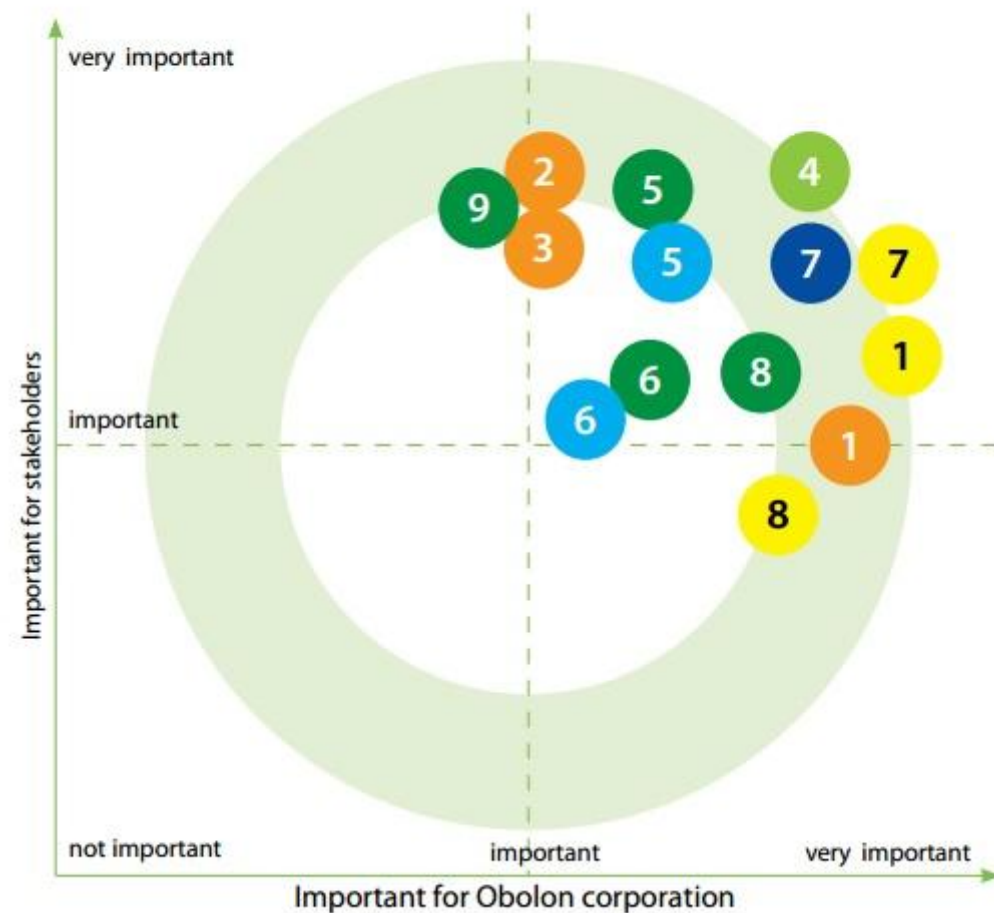
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ANNUAL REPORT 2015

KEY POINTS

Based on stakeholders' feedback – letters, meetings, hotline calls, posts in social networks, reputation research, anonymous boxes in offices – Obolon is distinguished by a range of key points:

1. Financial and economic results
2. Labour relations: personnel development, occupational safety
3. Gender equality
4. Product quality and safety
5. Environmental protection
6. Contributions to the regional economy
7. Corporate management
8. Energy efficiency: reuse of resources and waste-free production
9. Social investments

SIGNIFICANCE MATRIX



STAKEHOLDERS

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ANNUAL REPORT 2015

DIALOGUE WITH STAKEHOLDERS



HOTLINE

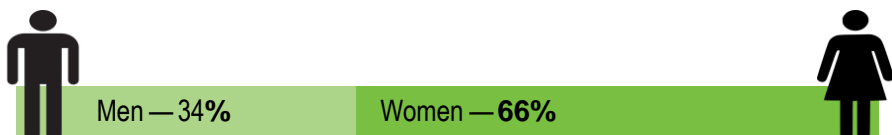
Call centre telephone number
0 800 507 300

Hotline operators received **24 thousand calls** in 2015
Average duration of the conversation with the respondent amounted to **2 minute 3 seconds**

REASONS FOR CALLS

16,68%	— Product sales
18,85%	— Information about company
6,31%	— Contacts
1,52%	— Product quality
1,37%	— Partnership and sponsorship offers
50,9%	— Special offers

GENDER



OPEN OBOLON TOUR PROGRAMME

14 years Obolon Open tour programme has been implemented

128 938 persons have visited the Obolon brewery on tours

4,7 thousand site tours were organized

Any person who has turned 18 can participate in the tour

You can order the tour by phone or via special form in the Brewery tour section of the corporation's website.

SOCIAL MEDIA



Facebook

7973 subscribers



youtube.com

385 thousand views



LinkedIn

555 subscribers








Stakeholders can directly address the Obolon corporation press office via the Contacts section on the company's website at www.obolon.ua

STAKEHOLDERS

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ANNUAL REPORT 2015

RELATIONS WITH SUPPLIERS

The corporation implements an APS Tender system – a procedure of open and transparent electronic auctions

Agriculture	Packaging materials	Brewery	Recycling of production waste	Drinks distribution	Consumer	PET-bottles recycling
Production of brewing malt	PET and glass bottles, cans	Beer production	Brewer's grains	Local and export	Sales and drinks	Production of packaging band
						

PROCUREMENT PRINCIPLES

OPENESS

participation in procurement process of the corporation is open for all market participants

COMPETITIVENESS

open bidding, competition between the suppliers

JUSTIFICATION

commercial attractiveness (price, payment conditions), product quality, technical specifications, supplier reliability
Each time Obolon chooses suppliers via the holding of tenders for raw and other materials and works purchases. The company does not establish longterm relations with the majority of its partners. Obolon places requirements on its suppliers that do not contradict antitrust laws and do not limit the number of companies participating in the tender.

SUPPLIER ASSESMENT

QUALITY

FINANCE

LOGISTICS

LOYALTY/SERVICE

COOPERATION WITH ORGANIZATIONS

1992 — Ukrainian Union of Industrialists and Entrepreneurs

1992 — Ukrainian Chamber of Commerce and Industry

2007 — Un Global Compact

2013 — Centre of CSR Development





PRODUCTION

BRAND PORTFOLIO

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ANNUAL REPORT 2015

Beer

BEER MIX

Cherry
Lemon
Raspberry
Pomergranate
Lemon non-alcoholoc
Energy
Bora Bora

ZLATÁ PRAHA

Černe
Svitlе

ФАСТИВСЬКЕ

Svitlе
Zhyhulivske

О

Non-alcoholic

Життя

Export

ОБОЛОНЬ

Premium
Soborne
Mitsne
Oksamytove
Svitlе

**HARDMIX
-CITRUS-**

Hardmix Citrus

hike

hike
hike chill

Zibert

Dunkel Weiss
Weissbier
Pils
Keller
Bockbier

ОХТИРСЬКЕ

Kozatske
Zoloty Master
Svitlе
Traditional
Zhyhulivske
Bochkove

ДЕСАНТ

Extra Mitsne
Mitsne

Low-alcohol Drink (LAD)

APPLE CIDER
CIBER

Ciber
Ciber Cranberry
Ciber Elderberry
Flowers

**РОМ
КОЛА**

**БРЕНДІ
КОЛА**

Rio

de-Mojito
Margarita
Pina Colada

**ВІСКИ
ВИШНЯ**

**ВОДКА
ЛАЙМ**

**ДЖИН
ТОНІК**

Soft Drink (SD)

Життя

Apple
Pear
Lemon
non-carbonated
Orange
Unique

**КОЛА
НОВА**

Лимонад

Ситро

**RIO de
Mojito**

**СТАРОКІЇВСЬКИЙ
КВАС**

White
Dark
Classic

**ОБОЛОНЬ
СТАРОКІЇВСЬКИЙ
ЛАЙМ**

Water

ОБОЛОНСЬКА

High carbonated
Lemon
With lemon and orange

ОБОЛОНСЬКА-2

High carbonated
Non-carbonated

Аквабаланс

ІВАНКА
ВОДА ПИТНА НЕГАЗОВАНА

ОХТИРСЬКА

ПРОЗОРА

High carbonated
Non-carbonated
With peach and green tea

Збручанська 77
МІНЕРАЛЬНА ПРИРОДНА

КРЕМІНКА
ВОДА ПИТНА СІМАНІАЛІЗОВАНА

Snack

**ОБОЛОНСЬКІ
СУХАРИКИ**

Barbecue
Sour cream and
greens
Cheese
Aspic and
horseradish
Red caviar
Bacon
Crab

**BULBA
КРЕМКА**

Aspic and
horseradish
Wienerwurst
Bacon

MANAGEMENT SYSTEM

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ANNUAL REPORT 2015



INTEGRATED CONTROL SYSTEM

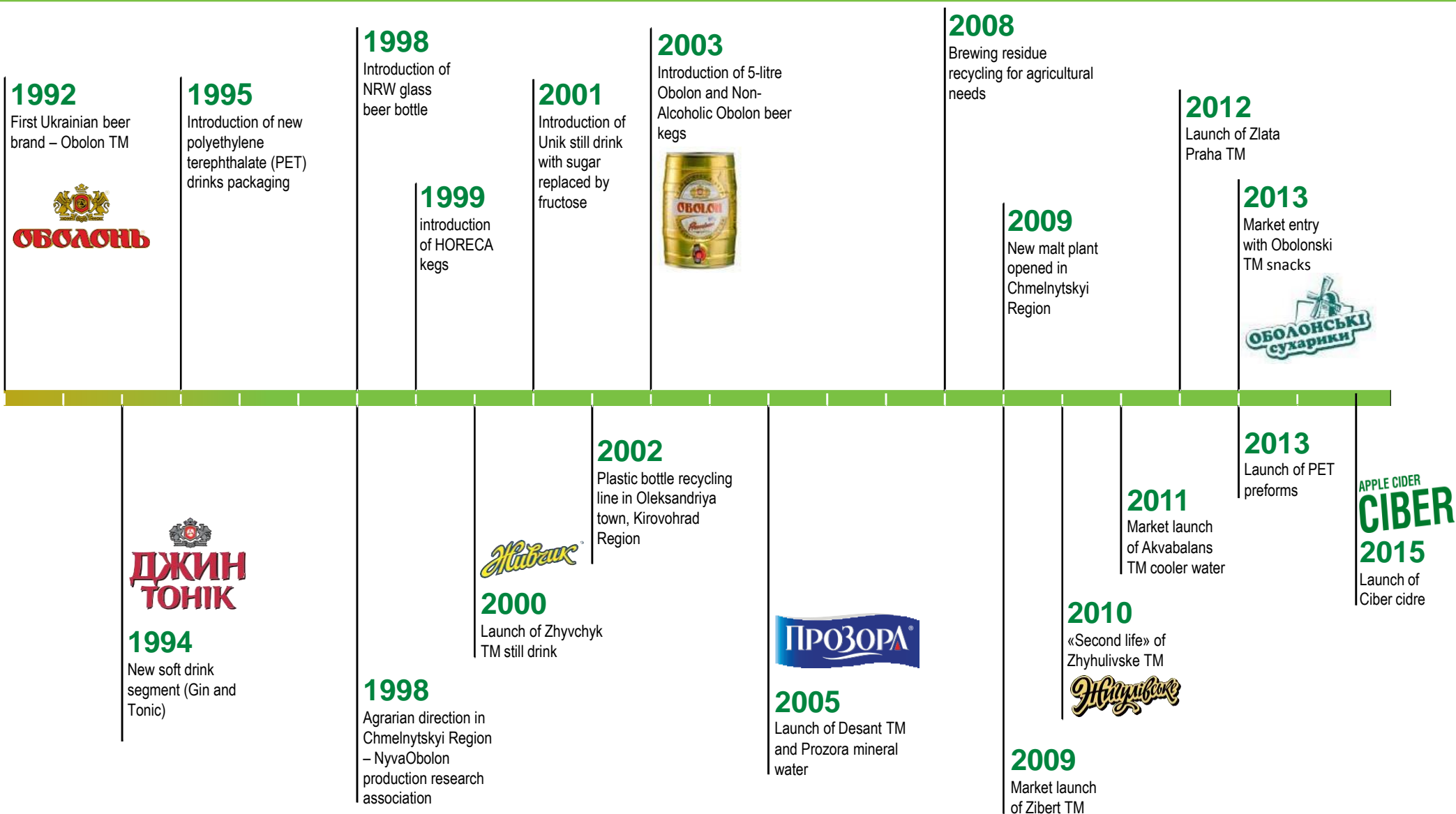
Integrated control system ISO provides quality for consumers and a competitive advantage for the company. In 1998, Obolon was the first food industry company to receive an ISO 9000 certificate. Today the company declares safety and compliance of its product with international standards.

- ISO 14001: 2004** ENVIRONMENTAL MANAGEMENT SYSTEM
- ISO 22000: 2005** FOOD SAFETY MANAGEMENT SYSTEM
- ISO 18001: 2007** OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM
- ISO 9001: 2008** QUALITY MANAGEMENT SYSTEM

Vira Ivaniuta, Head of Integrated Control System Department:
«Obolon is one of the few companies in Ukraine which has managed to combine four standards into a single management system. The integrated control system now proves the sustained responsibility of the company for its products, consumers, employees and the environment».

INNOVATIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



TECHNOLOGIES

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

11 million hectoliters of beer annually

—the largest brewery in Europe



14 artesian wells

provide high-quality water. Its quality is confirmed by the official EBRD environmental appraisal consultant – Czech firm KAP

4 laboratories operate

at the main Obolon brewery:

- experimental
- production
- radiological
- technical supervision

EQUIPMENT

Brewing system **Ziemann (Germany)**:

- 12 batches of wort per day, 750 hectoliters each
- Halving of heat consumption

Filtering units **KHS (Germany)**:

- 950 hectoliters of beer per hour

The largest **bottling line** in Ukraine:

- 110 000 bottles (0,5 л) per hour

1993	Introduction of beer bottling line with 0.33 l bottles
1995	Soft drink bottling line in PET bottles
1996	Keg filling line
1997	24 thousand line bottling beer beverages in tin cans
1997	First 4 cylindroconical vessels (CCVs) installed for beer fermenting
2001	Malt production reequipment – a doubling of capacity
2002	New KHS keg filling line
2003	New Inopro Getra ECO KHS.
2004	Ziemann brewing lines
2004	20 new cylindroconical vessels (CCVs)
2008	Increase of beer and soft drink bottling line capacity
2008	8 ISO integrated control system

Energy-efficient technologies

Reconstruction of industrial cooling system	1998
Reconstruction of heating system	2008
Adoption of long-term Energy Saving Programme	2009
Construction of condensate iron-removal unit	2010
Energy saving equipment on brewing lines No. 2 and No. 3	2010
Refrigeration and compression shop (RCS) recycling water supply reconstruction	2011
RCS heating system reconstruction using waste heat	2011
Reconstruction of heat supply system and grain drying condensate removal system	2012
Obolon is listed in the State Register of manufacturers implementing energy-saving projects	2014



PEOPLE

WORKING ENVIRONMENT

SAFETY AND OCCUPATIONAL CONDITIONS

Rights of the corporation`s employees are provided for by:

- Collective Bargaining Agreement
- Trade Union Committee
- OHSAS 18001:2007 System
- Labour Code of Ukraine
- UN Global Compact framework

Trade Union Committee:

founded in 1982. In 2015, included 496 members

not later than in 3 months the corporation shall inform the employees of the change in the form of incorporation, reorganisation or bankruptcy.

*100% of employees of PJSC Obolon are covered by Bargaining Agreement



Serhii Bloshchanevych,

Chairman of the Supervisory Board, Director for Personnel and Welfare: «Human rights are like air: if they are not violated, people can fail to notice them. As soon as they are taken away, it can put a human life in danger. Obolon provides labour rights and safety for all its employees, so each of them can feel the care and support of our corporate family»

WORKING ENVIRONMENT

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

EMPLOYEE PROFILE

Amount of employees

		2011	2012	2013	2014	2015
Total number of employees	people	6 299	6 074	6 006	5 680	5 296
Distribution of employees by the age						
18–34 years	people	2 016	1 944	1 922	1 817	1 700
35–49 years	people	2 394	2 308	2 282	2 101	2 098
50–54 years	people	819	790	781	740	757
>55 years	people	1 070	1 032	1 021	1 022	753
Distribution of employees by the level of employment						
97,83% full-time employees						
2,17% part-time employees						
Full-time	people	6 032	5 915	5 838	5 339	5 181
Part-time	people	267	159	168	341	115
Distribution of employees by gender						
28,9% women						
28,9% men						
Women	people	1 812	1 744	1 696	1 590	1 535
Men	people	4 487	4 330	4 310	4 090	3 761
Distribution of employees by the specialization						
62% workers						
34.6% engineering and technical staff						
Workers	people	4 193	4 048	4 034	3 862	3 306
Engineering and technical staff	people	2 106	2 026	1 972	1 818	1 834

Distribution of employees by the enterprises

Назви підприємств	Місто	2011	2012	2013	2014	2015
Main brewery	Kyiv	3 136	3 006	2 882	2 695	2 477
Zibert's brewery	Fastiv	498	501	423	375	351
Krasylivske	Krasyliv	700	693	752	680	679
Malt plant and 'Obolon Agro' structures	Chemervitsi	957	909	991	967	989
Production Complex	Oleksandria	306	354	347	346	334
Okhtyrka brewery	Okhtyrka	264	258	248	245	254
Bershad integrated plant	Bershad	127	93	97	105	103
Beverage plant*	Sevastopol	169	164	157	157	157
Diatkivtski	Kolomyia	142	96	109	110	109

Data of 2013

9,6% — average staff turnover in the corporation's structures Staff turnover is connected with the situation in the beer and soft drinks industry over the last few years, as well as the impact of economic and social risks

The Corporation adheres to the basic principles, declarations, laws on human rights and against the use of forced and child labor.

LIFE AND HEALTH

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



OCCUPATIONAL SAFETY

The occupational safety system includes a range of tools for securing of safety and proper labour conditions:

- OHSAS 18001:2007 — Occupational Health and Safety Management Systems
- Occupational safety and health monitoring
- Workplace certification
- HSE Committee
- Hazard identification and risk assessment registers

Svetlana Gerashchenko,

Occupational Safety Assistant Manager to the CEO of Obolon JSC: "Safety and comfort of employees is a priority in our company." Obolon investing in education and training on behavior in unexpected situations for employees. In order to improve working conditions every year more than 100 new workplaces passing needed certification. After all the work of the corporation depends on the well-being of every employee".

LIFE AND HEALTH

INVESTMENTS IN OCCUPATIONAL SAFETY

	2010	2011	2012	2013	2013	2015
UAH million	3,56	5,22	3,45	4,07	3,63	2,02

THE RANGE OF SAFETY MEASURES WERE ORGANIZED IN CORPORATION IN 2014

- UAH 177.3 thousand was invested into organizing and certifying the workstations at the Obolon Corporation companies in 2015.
- 142 workstations in the structure of Obolon Corporation were certified in 2015.
- To prevent accidents among the employees, the company performed 1654 occupational safety inspections in 2015.
- 2.2 thousand employees, or 41% of the total personnel, underwent training and knowledge tests in occupational safety in 2015.

PROTECTION EMPLOYEES WITH SPECIAL NEEDS

In 2015, approximately 254 persons, or 4.8% of the total number of Obolon Corporation employees, were people with special needs. Those are employees at various stages of heart disease, cancer, eye disease, diabetes, and musculoskeletal issues. Although most of them work as trade agents, some employees are engaged in the production.

Special labour conditions:

- flexible work schedule
- medical and preventive facility
- social benefits (health improvement and material aid)
- medical examinations
- social adaptation

		2011	2012	2013	2014	2015
Employees with special needs	oci6	273	279	270	229	254
1st category disabled people	oci6	1	2		1	1
2st category disabled people	oci6	28	88	22	71	75
3st category disabled people	oci6	84	189	90	157	178

LIFE AND HEALTH WAY OF LIFE

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

HEALTH AND HEALTHY

A health centre and dentist's office were established



Oleksand Bodriahov, chief of medicine at Obolon PJSC: «We are constantly improving healthcare monitoring of our employees, consulting them and rendering first aid. It is important for each member of the Obolon team to feel confidence and support. The team of medical specialists safeguards the health of company employees on a daily basis»

Gym



Yurii Tymoshenko, security service employee: «We live in a cycle of events: work – home – work. And each day we feel more and more tired. I find it important to rest not only spiritually but also physically. It is good to have an opportunity to release oneself from the work day tiredness, spend stress-free time in the gym and return home in a good mood».

Bicycle parks installed



Oksana Borbelyuk, economics department specialist: «Why do I choose a bicycle? It is a healthy and environmentally friendly means of transportation which is not affected by traffic

jams. Besides, I spend less than 15 minutes getting to work by bike. The bicycle is a vehicle for the soul! I would like to see bicycles becoming a fashion trend of a free, healthy and positive way of life»

Organization of preventive activities



Mariya Dolynska, expert of USAID Strengthening Tuberculosis Control in Ukraine project: «Today it is important to obtain timely information, particularly health-related. Obolon cares about its employees in this area and has for some time now engaged USAID experts to conduct the All-Ukrainian Tuberculosis Prevention Week».

Area lectures



Vitaliy Korzun, Doctor of Medical Sciences – Professor of Institute for Hygiene and Medical Ecology: «Timely information secures an advantage in the prevention of different diseases. It is particularly important for people who, due to work load and family duties, do not have access to information on safe food, high-quality water and environment»

ETHICS AND EQUAL RIGHTS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



CODE OF ETHICS

- team work
- friendly working environment
- success motivation



ETHICS COMMITTEE

Ethical grievances response mechanism



HOTLINE

0 800 507 300

Ethical issues block



BOXES OF THRUST

Additional appeals' mechanism for unethical, illegal behavior in the company

ETHICS AND EQUAL RIGHTS

GENDER PLAN

1. Gender issues commissioner

2. Equal opportunities for men and women in

- salaries
- career growth
- parental leave
- professional development

3. Benefits for young parents

- additional parental leave for parents with children under 15 (+10 days to the mandatory one)
- family resort holiday packages
- holiday presents for children of the employees
- annually one-time health improvement benefit
- marriage and childbirth benefits

Ukraine is rated
67th out of 142
countries under
the Gender
Equality Index

UAH 41 280
in childbirth benefit
was paid in 2015 in
Ukraine

Equal opportunities

In 2013 the Obolon corporation, in cooperation with the League of Social Workers, joined the EU project titled Back to Work. The programme is aimed at improving labour practices of employees with family responsibilities – those who return to work after parental leave.

***Details on the project can be found in the section Successful Practices – Reintegration of Employees – Back to Work project**

During the reporting period there were no cases of discrimination against employees in the corporation structures.

STRUCTURE OF EMPLOYEES WITH FAMILY RESPONSIBILITIES OF OBOLON PJSC

Description	Men	Women	Total
Pregnancy and childbirth leave	-	26	26
Parental leave for parents with children under 3	-	58	58
Parental leave for parents with children from 3 to 6 years old	-	16	16
Working with children under 3	289	16	305
Working with children from 3 to 6	314	67	381

PERSONNEL EDUCATION

Personnel education

- On site (individual training)
- Special courses
- Contractual training in Institutes of Advanced Training

Professional education:		2011	2012	2013	2014	2015
retraining, specialisation (individual training)	persons	68	42	29	31	112
advanced training of employees	persons	571	741	614	566	688
advanced training for managers and specialists	persons	579	528	631	557	553
Laboratory examinations	persons	84	65	71	67	33

Average training duration for a specialist totals **16 hours**

All employees of the corporation (regardless of gender, position or functional responsibilities) are eligible and applying for training within or outside of the company

In 2014, the company, together with Denis' School international foreign language school, organized the following courses for marketing and export department experts of the Kyiv company:

- 90 hours of foreign language training for one specialist.
- 60 specialists sat language courses

For more than 11 years the regional company of Okhtyrka town manages the advanced training school for employees, offering courses in Economics and Management, Effective Sales Management and Production Training School. Annually up to 100 employees take the school's

Assessment of labour activities

- Manager's expert assessment
- ISO systems certification committee
- Output assessment

Based on the employee's assessment the company's management takes decisions regarding

- compliance with work duties
- salary rises
- career advancement
- inclusion into the talent pool

Training and production practice for students

	2011	2012	2013	2014	2015
persons	326	306	302	314	336

INCENTIVES AND MOTIVATION

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



MATERIAL INCENTIVES

System of remuneration for the employees

- Official declared salary
- Gender balance in salaries*
- **40-hour** working week and **8-hour** working day
- Material incentives system

UAH 5 047

— average salary at
Obolon corporation
companies *excluding
Sevastopil plant

Salary tipe	Personnel category	Payment form
Time-rate	Workers, drivers, security guards, etc	Actual hours worked
Piece-rate	Production personnel	Actual scope of work performed

*Equal pay (regardless of gender) that is based on experience, functional responsibilities and position.

UAH 12,9

millions —

of financial aid was
provided to full-time
employees *excluding
Sevastopil plant

INCENTIVES AND MOTIVATION

NON-MATERIAL INCENTIVES

Social package for employees

- transfer of employees
- modern medical centre
- subsidised meals
- gym
- gift products for special occasions
- material benefits
- resort holiday packages

Social packages are also provided to former employees of the corporation who have retired

20
employees
regularly visited the
gym in 2015

15 persons visit
the health centre
each day *Data of
central Kyiv office

CORPORATE CULTURE AND TRADITIONS

Donorship movement

- **70** permanent **blood donors**
- **384 litres of blood** were donated over **14 years** of the movement's operations

Corporate volunteer movement

- quarterly trips to the Mostyshche boarding school in Kyiv Region
- voluntary fundraising for ATO soldiers
- seasonal wear collection for FTCH

Sports movement

- 10 football teams in Obolon PJSC
- 2 football tournaments
- Plant Championship and President's Cup
- annual football tournament of distribution teams

Corporate media

- daily newsletters
- monthly review media
- quarterly Visnyk journal

UAH 1 million
was gathered to
support the
Ukrainian army



ECONOMICS

FINANCIAL AND ECONOMICS RESULTS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



		2010	2011	2012	2013	2014	2015
Net income	UAH thousand	3 352 095	4 861 378	4 075 269	3 877 633	4 858 794	4 781 443
Net profit	UAH thousand	89 476	3 577 451	223 878	195 309	-538 985	-335 530
Equity	UAH thousand	817 605	489 062	1 103 460	1 323 165	762 116	390 188
Assets	UAH thousand	3 151 266	918 547	3 595 732	3 661 749	3 795 133	3 930 505

More indicators of financial and economic results are on the official **web-site** obolon.ua

and on the **social report site** report.obolon.ua

PRODUCTION INDICATORS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



		2010	2011	2012	2013	2014	2015
Beer	million dal	98,7	87,3	88,9	78,4	69,4	53,7
LAD	million dal	2,2	2	2,3	2,3	2,25	2,00
SD	million dal	18,4	18,5	18,1	15,8	15,9	15,7
Mineral water	million dal	9,0	7,2	6,8	5,5	5,5	4,6
Malt	thousand ton	155,8	128,3	127,9	106,8	80,3	90,6

EFFICIENT ACTIVITY

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



EMPLOYMENT

Obolon is one of the largest Ukrainian employers in the food industry. The company engages the employees directly from the cities and villages of its production capacities. In many regions Obolon production facilities are core budget-forming companies. In 2014, Obolon was rated among the three largest employers of the agroindustrial complex.

	Population numbers at 1 January 2016 (State Statistics Service)	Number of Obolon employees in regional companies in 2015
Kyiv	2 906 569	2477
Sevastopol	362 113	157
Oleksandria	100 287	334
Kolomyia	61 236	109
Okhtyrka	49 022	254
Fastiv	47 869	351
Krasyliv	19 618	679
Bershad	13 038	103
Chemerivtsi	5 318	989
Total	3 565 070	5 296

EFFICIENT ACTIVITY

Community

Last year the company expanded the traditional social support channels in the regions where the local companies of Obolon are located. Apart from partnership with local residents, regional offices of the company began to cooperate with volunteers, servicemen and defensive units, hospitals and the state.

Vinnytsia Region

Bershad Plant PJSC makes product and monetary donations to local communities. Last year the plant initiated cooperation with regional military units. In cooperation with the Without Borders international charitable fund the company donated UAH 95 thousand for the purchase of protective accoutrements for the mobilized forces

Kyiv Region

Fastiv Brewing Company supports communities in various areas. Last year the aid amounted to UAH 228,1 thousand. The company allocated UAH 149,6 thousand for medicine, accoutrements, fuel and equipment.

Kirovohrad Region

The production complex in the town of Oleksandriya has been operating a plastic bottle recycling project for 13 years. During this time the plant gathered 10 thousand tonnes of plastic. Within the project the company conducts active work with the local communities on promoting awareness of ecological practices and cooperates with local educational establishments for gathering plastics.

Sumy Region

In 2015, Okhtyrka Brewery PJSC allocated UAH 29.6 thousand for Ukrainian Army and UAH 8 thousand for local community.

Khmelnitsky Region

Within the Social Partnership Agreement with the Chemerivtsi Settlement Council, the malt plant allocated UAH 254,8 thousand. The company donated about UAH 91 thousand for parts to repair military equipment. UAH 355.6 thousand allocated to Ivankovetskiy Horodok village council district, Khmelnytsky region.

Obolon Krasylivske company concluded Social Partnership Agreements with Krasyliv Town and Yavorovets Village Councils. During the year the company gathered 22.9 thousand dal of drinks for the community initiatives, UAH 66.3 thousand to local community charity assistance and built 9 sports and playgrounds in the region. The employees donated UAH 236.8 thousand for military officers.

Ivano-Frankivsk Region

Diatkivtski Private JSC provides aid to the Social Rehabilitation Center for Disabled Children in Kolomyia and the local geriatric home. The company allocated UAH 10 thousand for the needs of the local community. Aid to military officers amounted to UAH 30 thousand.

EFFICIENT ACTIVITY

TAXES

The companies of the corporation form the budget revenue at the territories where they are located.

OVERAL DEDUCTIONS TO THE BUDGETS OF ALL LEVELS

2011	2012	2013	2014	2015
1 032 454	1 214 828	1 158 324	1 274 040	1 284 609

OBOLON'S SHARE IN FILLING LOCAL BUDGETS IN 2015

Kyiv	~2
Sevastopol	*
Oleksandria	5,8
Kolomyia	11,5
Okhtyrka	11,8
Fastiv	3,9
Krasyliv	10,8
Bershad	3,3
Chemerivrsi	9

RELATED INDUSTRIES

Пивоварна галузь — один із драйверів української економіки

- 1 workplace in brewery generates
- 1 workplace in media and marketing
 - 1 workplace in packing and logistics
 - 1 workplace in trade
 - 1 workplace in agriculture
 - 11 workplaces in the tertiary industry

Agroindustrial complex (barley, wheat, corn, hop, malt, etc.)

Agricultural production of the corporation is focused in Chmelnytskyi Region. It includes a research and development household, seed plant, agrarian firm, 17 thousand hectares of crop areas and a malt plant producing 120 thousand tonnes of malt annually.

Packing (PET, glass, tin cans)

Obolon has its own preform production facility at its Oleksandriya plant. In 2012, the company adopted PCO1881 standard of 1-litre and 1.25-litre light PET bottles. It is more environmentally friendly and more cost effective for the company.

Restaurant business, trade

Obolon has a network of brand outlets in the regions where its companies are located. The company's drinks can be found in all trade networks within the country and abroad.

Secondary resources recycling (PET bottles, brewer's grains)

In 2008, a line of plastics recycling for rim band was opened in Kirovohrad Region. During 8 years of recycling 10.2 thousand tonnes of PET bottles provided material for 4.4 thousand tonnes of tension and packaging band. The Obolon plant in Kyiv recycles the so-called brewer's grain, which is brewery waste, and exports the product to the EU and Israel. Over 7 years of recycling the plant has produced 183.6 thousand tonnes of grain

Logistics and transport

In 2015, established logistics and transport infrastructure provided for Obolon drinks export to 39 countries.

RISKS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



Risks can arise both due to forecasted and unforeseen situations. They all endanger the reputation and sustainable development of the corporation. During the reporting period Obolon faced a range of economic and social risks which impacted the staff and other stakeholders of the corporation.

FORECASTED RISKS:

Forecasted risks Fiscal policy

- Increase of excise rate for beer **by 100%** – from UAH 1.24 to UAH 2.48 in 2015
- Excise rate **of 5%** for beer sales in retail networks



- In 2015, the beer market in Ukraine decreased **by 18%**
- Annual average of production capacities in the industry amounted **to 50%**
- Lack of transparency in distribution of tax revenue

UNFORESEEABLE RISKS Depreciation of hryvna

USD change rate	from the beginning of the year	in 6 months	in 2 months	in 1 month
23,9	- 78	- 36	- 12	- 7



Increase of raw material, energy resources and logistics services cost

RISKS

Buying capacity decrease

Consumer confidence index (CCI) is a trend indicator of changes of consumer demand among the population

CCI in 2015											
January	February	March	April	May	June	July	August	September	October	November	December
45,8%	41,1%	41,8%	41,4%	45,6%	48,8%	43,2%	46,9%	47%	47,9%	50%	53,1%

*according to GfK

IMPACT

Beer is not an essential product.

A drop in income of the population = a drop in beer consumption.

Hostilities in the east

On 14 April 2014 the anti-terrorist operation (ATO) was started. Decree of the President of Ukraine No. 405/2014.

Year of the ATO. Results

More than **9 thousand** people have died

21 thousand people were injured

1,9 million people became internally displaced

Over **12 thousand** properties were destroyed

* According to the data of the UNO, State Migration Service of Ukraine, Ministry of Social Policy and military analysts

IMPACT

- Loss of 7% sales territories in the occupied Donetsk and Luhansk regions
- Warehouses robbed in Donetsk and Luhansk
- Loss of jobs of the company's sales teams in the zone of the ATO
- More than 100 company employees were mobilized

Loss of traditional sales regions

Autonomous Republic of Crimea

- On 16 March 2014 the Crimean Peninsula was annexed by Russia
- In July 2014 the Verkhovna Rada of Ukraine introduced a range of trade and financial restrictions for Crimean manufacturers

IMPACT

- loss of 8% of sales markets by beer manufacturers
- cessation of product supplies to the peninsula
- indefinite status of the soft drink plant of the corporation in Sevastopol



ENVIRONMENT

EFFICIENT USE OF RESOURCES

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



As the largest beverage producer, Obolon depends on agricultural raw materials which can be heavily impacted by a severe climate change, which is an issue of the company's concern.



Serhii Pustovit

energy efficiency manager of Obolon

Corporation: «Sustainable development of Obolon implies the daily search for and use of innovation means to minimise environmental impact. We achieve this with the help of a cost reduction resulting from savings in electric energy, water and other resources. Annually Obolon increases the volumes of waste recycling on its sites, including brewer's grain, yeast and grain waste and plastic waste».

DIRECTION OF ECO-RESPONSIBILITY STRATEGY

- gradual reduction of atmospheric emissions
- rational use of water resources
- maximum recycling of production waste

Since 2010, Obolon has been participating in the global ecological initiative Earth Hour of the World Wide Fund for Nature (WWF). For 5 years in a row the company has demonstrated its high consideration of environmental issues. In 2014, the company saved about 300 kW of electric energy within the initiative.

EFFICIENT USE OF RESOURCES

RESOURCE USE FIGURES TREND

Efficient use of energy resources

Due to a range of energy efficiency and economising measures, the production impact the corporation exerted on the environment continued to decrease. In addition, production of all categories of beverages in **2015 declined by 9% year-on-year**. Hence, the production decrease has reduced the use of resources.

Natural gas	2010	2011	2012	2013	2014	2015
thousand m ³	30328	27003	26826	23708	18544	15414

In 2015, natural gas consumption was reduced by 17% compared to the year 2014.

Water	2010	2011	2012	2013	2014	2015
thousand m ³	3978	3718	3781	3240,5	2632,7	2274,4

In comparison with the year 2014 the consumption of water in 2015 decreased by 13,6%. This is equal to the volume of 142 standard swimming pools at the Olympics.

Steam	2010	2011	2012	2013	2014	2015
Gcal	217273	202638	201094	179902	149650	117989

In 2015 the use of the pair decreased by 21%

Power	2010	2011	2012	2013	2014	2015
GJ	318204	297914,4	309045,6	275832	195397,2	164130,48

*The power supplier for the main plant in Kyiv is Kyivenergo PJSC.
Regional companies use the services of local power companies
In 2015, Obolon decreased the use of power by 16%

- Put into operation two two steam boilers for solid fuels at Okhtyrka Brewery. Save 3 million UAH
- Installed the equipment of waste heat for heating a vapor purge boilers. Save 350 Gkalheat energy
- Outdoor advertisement lighting were changed on LED

EFFICIENT USE OF RESOURCES

RECYCLING

		2010	2011	2012	2013	2014	2015
Water recycling	thousand M ³	970,8	1006,2	1073,5	3240,5	2998	1500

Recycled water is used for equipment and glass bottle washing

		2010	2011	2012	2013	2014	2015
CO2 recycling	tons	12522,7	11678	11922,3	11674,1	11378,2	9974

		2010	2011	2012	2013	2014	2015
Steam recycling	tons	1765,2	2230	2630	2140	1807	1520

ALTERNATIVE ENERGY

In order to reduce dependency on energy resources the regional companies of Obolon in Okhtyrka and Fastiv towns installed solid fuel boilers. Wood waste (sawdust, broken pallets, boxes, etc.) are used as fuel.

3-4 kg of burned wood waste = burning of 1 m³ of g – 0.008 Gcal of heat

The corporation installed a system of solar energy collectors for heating water in the office block of Kyiv Obolon brewery and production sites of Zibert's Brewery in Fastiv. Savings totalled up to 30 Gcal/year.

WASTELESS PRODUCTION

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



Svitlana Bashmakova,
Leading Environmental Protection Engineer

«Environmental efficiency for the corporation is not only a challenge of the current environmental condition but also an opportunity to save and free up additional resources. Considering the increased cost of raw materials, it is beneficial for the company and safe for people and the environment»

INVESTMENTS IN ENVIRONMENT PROTECTION (UAH million)

2010	2011	2012	2013	2014	2015
23,6	15,3	19,5	16,0	10,0	9,3

WASTELESS PRODUCTION

REDUCTION OF ATMOSPHERIC EMISSIONS

		2010	2011	2012	2013	2014	2015
Atmospheric emissions	tonnes	44	45	37	33	30	29
Nitrogen compounds	tonnes	29,95	29,6	24,04	18,6	17,3	12,5
Grain dust	tonnes	12,6	11,3	9,9	10,79	9,5	7,2
Carbon oxide	tonnes	0,42	0,51	0,45	0,76	0,64	0,60

6,2% less CO2 emissions in 2015

REDUCING POLLUTION

		2013	2014	2015
Waste water	million litres	1810	1667	1433

*Sewage treatment plants of the company has three levels of cleaning by gravity and sorption principle.

WASTELESS PRODUCTION

		2010	2011	2012	2013	2014	2015
Specific waste formation	tonnes/thousand dal	0,44	0,35	0,35	0,17	0,13	0,12

DISTRIBUTION OF WASTE DEPENDING ON RECYCLING

	2010,t	2011,t	2012,t	2013,t	2014t	2015t
Internal recycling and reuse	169200	170300	156592,3	134614	129839	83860
Waste disposal	7700	6602	5720	5950	4040	2600
Third party recycling	2800	2600	3168,6	2464	2534	1840



SOCIETY

DEVELOPMENT OF REGIONS



KYIV REGION

Zibert's Brewery is a modern, high-technology company with a century-long history and brewery traditions making the town of Fastiv legendary.
Production and technologies

EUR 40 million	5,7 million dal	1.2 million dal	13 countries
2009	2015	2015	2015
volume of investment into Fastiv brewery modernisation	beer produced	soft drinks produced	Zibert's Brewery export geography

ZIBERT'S BREWERY IS A PART OF UNIQUE UKRAINE

2000 site tourists
2011–2015
Visited the brewery over 5 years of the tour programme



Liubov Onyshchuk,
director of Obolon Zibert's Brewery PJSC State-Owned Enterprise
«Nowadays our brewery is interesting not only for students on practical training. Each year the number of tourist to the site increases. People want to see the industrial facilities of the company, its modern equipment, and talk to our specialists. We are open to Ukraine and new guests of the brewery!»

DEVELOPMENT OF REGIONS

**Budget revenue generation****UAH 12,5 million**

volume of taxes paid (including excise rates)

3,9%

company's percentage in local budget revenue generation

**Work places****342 employees** production employees**UAH 276,5 thousand**

full-time employees' remuneration

UAH 128 thousand

occupational safety investments

201 employees

underwent occupational safety instruction and training

**Education****UAH 26,2 thousand**

— support of educational projects

**Sport****UAH 26,2 thousand**

Sports initiatives supported amount

**Culture****UAH 10,1 thousand**

— culture initiatives support

**Environment****UAH 6 thousand**

was spent on land improvements.

**Local communities****UAH 46,3 thousand**

was spent on support of the initiatives of local communities

**Aid to servicemen****UAH 149,6 thousand**

as aid to soldiers

13 employees

were mobilised

DEVELOPMENT OF REGIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



PODILLIA

DEVELOPMENT OF CHMELNYTSKYI REGION INDUSTRY

Malt plant annual capacity totals 120 thousand tonnes of malt

50 innovation solutions



Serhi Prubniak,

Acting Agrarian Director:

«In 2009 we held the official opening of the malt plant. Equipment and machinery for the plant was supplied from 15 countries. It is the largest investment project in the region. Today the malt plant is the driving force of the agriculture of Chmelnytskyi and neighbouring regions»

PODILLIA AGROINDUSTRIAL COMPLEX DEVELOPMENT

- Elite seed farming
- Animal farming
- Vegetable production and processing



Mykhailo Zhyla,

director of Obolon-Agro LLC:

«We began our activities in 2006 from cultivating 350 hectares. The core crop of our company is brewery barley (both winter and spring). This crop is grown on about 35% of the land used for production and seed material of the required barley varieties most suitable for malt production. The percentage of production barley is insignificant; mostly we deal with growing the seed material with its subsequent processing at our own seed plant»

DEVELOPMENT OF REGIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

Key agrarian region of Obolon Corporation. Chmelnytskyi Region is home to malt production facilities, grain agricultural lands and the scientific base of brewery barley breeding.

Production and technologies

UAH1 billion investment into agricultural business	86,5 thousand tonnes of malt	27,2 thousand tonnes brewery barley	6483 livestock number	12,4 thousand hectares crop areas
2008	2015			

 **UAH 6,4 million**
volume of taxes paid (including excise rates)

9%
company's percentage in local budget revenue generation

Agreement on social partnership between Malt production Plant and Chmerivtsi village council

Work places

608 production employees

31 employees with disabilities

UAH 342 thousand occupational safety investments

298 employees underwent occupational safety instruction and training



Education

UAH 259,2 thousand

— support of educational establishments



Culture

UAH 29,2 thousand

— reconstruction of religious facilities



Environment

UAH 163,1 thousand

on clearing roads and waste elimination



Local communities

UAH 611,8 thousand

— was spent on supporting the initiatives of local communities



Aid to servicemen

UAH 54,4 thousand

as aid to soldiers

DEVELOPMENT OF REGIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

SUMY REGION

Okhtyrka Brewery is the only working brewery in Sumy Region

PRODUCTION AND TECHNOLOGIES

590,9 thousand dal
beer produced

862,9 thousand dal
soft drinks produced

357,8 thousand dal
mineral water produced

1 thousand tonnes
malt produced



Rymma Myronenko,
Director for Economics of Okhtyrka Brewery

«The basis of the quality of our drinks is raw materials. In particular, water produced from our own wells, 110 m deep. Qualified personnel works at the brewery. We pay considerable attention to the increase of the level of our employees' professional skills. Thus, I am a tutor of the special School of Economics and Management, established in the company eight years ago.»

DEVELOPMENT OF REGIONS



UAH 19,1 million

volume of taxes paid (including excise rates)

11%

company's percentage in local budget revenue generation



Work places

254

production employees

11 employees

with disabilities

UAH 322,6 thousand

full-time employees' remuneration

UAH 241,2 thousand

occupational safety investments

214 employees underwent

occupational safety instruction and training



Culture

UAH 7,6 thousand

— support of cultural initiatives



Local communities

UAH 53 thousand

— was spent on supporting the initiatives of local communities



Aid to servicemen

UAH 29,6 thousand

на допомогу військовослужбовцям

7 employees

were mobilised



Educational

UAH 24,6 thousand

— support of educational establishments

DEVELOPMENT OF REGIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

KIROVOHRAD REGION

Production complex in Kirovohrad Region is the ecological component of the corporation. 30 million used plastic bottles arrive here for recycling annually.



Volodymyr Shkliaruk, director of the production complex in Oleksandriya:

«The production complex has a beneficial geographic location from the point of view of logistics - Oleksandriya town is located in the centre of Ukraine. Although the capacity of the region has significantly decreased, Obolon is constantly developing production, implementing new business areas and creating jobs. We began as a small shop and due to Obolon investment we now use high-technology equipment.»

DEVELOPMENT OF REGIONS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015

Production and technologies

2003 Launch of a plastic bottle recycling line

2008 Rim band production

2012 PET preform plant

UAH 4892,64 thousand
volume of taxes paid (including excise rates)

5%
company's percentage in local budget revenue generation

UAH 100 million

2012-2013

investment into opening the
PET preform production plant

**154.2 million
items**

2015

PET preforms produced

1.19 million dal

2015

low-alcohol beverages
produced

3.14 million dal

2015

soft drinks produced

661.9 tonnes

2015

tension and packaging
band produced



Environment

10,2 thousand tons
bottles recycled on the plant in 13 years

30 million bottles
arrives for recycling annually

2,5 million bottles
are recycled monthly



Work places

334

production employees

6 employees

with disabilities

UAH 703,1 thousand

full-time employees' remuneration

ПЕРЕВАГИ ПЕРЕРОБКИ ПЛАСТИКУ

- 1 На 2/3 економить енергоспоживання при використанні вторинного ПЕТ
- 2 Знижує викиди CO₂
- 3 Захищає довкілля
- 4 Економія нових матеріалів

PROMOTION OF SPORTS

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



Support of football

The history of Ukrainian football with the assistance of Obolon Corporation has more than 20 years. At the beginning of 90s the company started supporting youth sports school "Zmina".

Nowadays more than 700 young football players attend this sport school and 11 professional coaches train sportsmen of young generation. Further promotion of sports' initiatives turned into supporting of FC ObolonBrovar. Today the players of football team present Kyiv in matches of First League of the Ukrainian Championship.

More details about FC Obolon-Brovar on the official web-site [Переглянути](#)

More details about sport promotin on the web-site of Social Report [Переглянути](#)

Sports events

Obolon supports large-scale sport events of international intent

2nd International Race «Cross Mile»

Kyiv

1st International Marathon

Kharkiv 10000 athletes from 17 countries

5th Kyiv International Marathon

Kyiv, 3500 participants from 32 countries

Every 5 km the athletes could rehydrate at special stations offering Prozora water

Sports Marathon

Dnipropetrovsk

Fastiv Championship in mini - football

Fastiv

KPI Football Cup

Kyiv

Baseball and softball Cup

Kyiv

2014

2015

EDUCATION PROJECTS.SPONSORSHIP AND VOLUNTEERING

UAH 500 thousand— is the amount of the company's investments into education projects.

PETRO YATSYK INTERNATIONAL CONTEST OF UKRAINIAN SPEAKERS

In 2005, Obolon joined the supporters of Petro Yatsyk International Contest of Ukrainian Speakers, which:

- promotes the Ukrainian language among Ukrainians;
- improves the prestige of the official language among the youth;
- promotes respect for the culture and traditions of Ukraine.

The encouragement prizes for the winners are from 3,000 to 6,000 UAH .

For 10 years, Obolon has been providing financial assistance for the contest and establishing its own prizes for proficient speakers of Ukrainian.

Today, the Petro Yatsyk Contest includes:

- 5 million students and representatives of the Ukrainian Diaspora taking part in the linguistic marathon every year.
- 25 countries whose citizens take part in the event.
- Proficient speakers of the native language aged 9–21 who take part in the Petro Yatsyk International Contest.

Support of youth

- For over 11 years, Obolon have been providing support to Kyiv Arts School No.5 for artistically gifted children. The company provides healthy drinks, gifts and souvenirs for the students.
- Kyiv National university named by Shevchenko, Department of psychology – attracting young professionals to for conducting lectures in the company
- Supporting students' initiatives of the Ukrainian Catholic University
- Cooperation with NGO "International European Parliament"

- Long-term cooperation with NTU KPI through:
- Students' association ESTIEM – learning the basics of engineering and management processes in the industry
- EBEC (European BEST Engineering competitions)

Sponsorship and volunteering

UAH 2,7 million— investments in sponsorship and charity in 2015

430 thousand litres of beverages for sponsorship and charity in 2015

- culture and education projects
- aid to socially vulnerable groups
- promotion of the revival of moral values as well as historical and cultural heritage
- promotion of sports

Charity

More than 20 years Obolon provides charitable support to partner organizations.

The list of company's partners on the website of Social report [Переглянути](#)



SUSTAINABLE DEVELOPMENT PLANS FOR 2016-2017

SUSTAINABILITY REPORT OF OBOLON CORPORATION
ANNUAL REPORT 2015



Corporation

- Exports expansion to the markets of Asia and Africa
- Program «Direct speech» of regular meetings with executive management staff.
- Expanding excursion tour «Open Obolon». The increase in visitors of 10%
- Discussion the pilot document “The policy of cooperation with suppliers”
- Expanding the network of the firm trade stores – by 10%.

Production

- Implementation ReCon system on the return of energy gasification of liquefied carbon dioxide
- External audit of integrated management system by DEKRA Certification Kft
- Expansion of capacity for storage of barley and malt.

People

- Review and update the Code of Ethics.
- Organization of regular staff visits to the regional enterprises.
- Strengthening of the internal communications to promote healthy lifestyles (installation of the bicycle stations at 10 enterprises of the corporation)
- Finalize «Again to the work» project for the employees with family responsibilities

Environment

- Achieving of recycling resources at 98%.
- Gradual shift in using of the alternative energy: 10% in the structure of energy consumption
- Attempt to manufacture other products from recycled PET on production complex in Kirovograd region.

Society

- Updating ‘Consume Responsibly’ program in accordance with changes in legislation
- Strengthening cooperation with universities
- Students’ participation in educational and practical training – the increase of students of 10%

ABOUT REPORT

Obolon Corporation presents its eighth non-financial Sustainability Report for the year 2015. This document has been prepared according to the provisions of the GRI (Global Reporting Initiative) international sustainability reporting standard in conformity with the "Core" version of the latest G4 version and the ten principles of the UN Global Compact.

Obolon Corporation traditionally maintains the biennial reporting cycle; its previous non-financial Sustainability Report was published in 2014 based on the results of 2013 and the first half of 2014. The document is prepared in accordance with the GRI reporting standard, version G3.1, for a "B" grade, and certified by an independent audit report of the BDO company.

According to the GRI G4 standard, the extent of information disclosure in this year's Report was established separately for each Aspect. On some major issues (Aspects), the extent of coverage and disclosure of indicators is limited because these Aspects are insignificant and their data have no impact on the consolidated reporting results. On some issues, the extent of information disclosure is expanded due to the corporation structures for whose activity the selected Aspects are the most significant. The external limits of the Report cover the activities in the economic, environmental and social areas of ten Obolon Corporation companies in eight regions of Ukraine.

The analysis of the Global Reporting Initiative G4 Standard, corporate risks review, systematization of long-term projects and investments in sustainable development, and cooperation with the key stakeholders of the Obolon Corporation made it possible to compile this Report and determine the significant Aspects. The priority subjects of the non-financial document were determined by the management of the Obolon Corporation based on communications with the major stakeholders. The feedback from the stakeholders (letters, phone calls, hotline messages, social media messages, meetings, etc.) identified the list of significant Aspects of the Obolon Corporation, which include:

Obolon Corporation's eighth report is presented in two formats: a pdf version and a full interactive website. As a socially responsible producer, Obolon refused from a printed version of the social report, thus making another contribution to the environment protection.



TABLE OF GRI INDICATORS

Standards GRI elements	UNGC	Pages	Comments	Standards GRI elements	UNGC	Pages	Comments
G4-1		6		G4-29		59	
G4-2		6,39		G4-30		59	
G4-3		11,59		G4-31		59	
G4-4		18		G4-32		59–60	
G4-5		11,59		G4-33			
G4-6		11,59		G4-34		12	
G4-7		11–12		G4-35		12	
G4-8		8		G4-36		12	
G4-9		11,24, 34–35		G4-38		12	
G4-10	P6	24		G4-39		12	
G4-11	P3	23		G4-56	P10	9–10,28–29	
G4-12		16		G4-57	P10	28–29	
G4-13		6,59		G4-58	P10	28–29	
G4-15		16,51		G4-EC1		34, 37–38, 48–56	
G4-16		16		G4-EC2		39–40	
G4-17		11,59,61		G4-EC7		37–38,48–56	
G4-18		59		G4-EC8		37–38,48–56	
G4-19		14,59		G4-EN1	P7,8	42–44	
G4-19		14,59		G4-EN2	P8	46	
G4-20		13–14,59		G4-EN3	P7,8	43–44	
G4-21		14,59		G4-EN5	P8	46	
G4-22		no changes		G4-EN6	P8,9	43–44	
G4-23		6,59		G4-EN8	P7,8	43	
G4-24		13		G4-EN10	P8	44	
G4-25		13,59		G4-EN15	P7,8	46	
G4-26		13		G4-EN19	P8,9	46	
G4-27		13–14		G4-EN21	P7,8	46	
G4-28		6,59		G4-EN22	P8	46	

Standards GRI elements	UNGC	Pages	Comments
G4-EN27	P7,8,9	46	
G4-EN31	P7,8,9	45	
G4-LA2		27,29, 30, 32	
G4-LA3	P6	29	
G4-LA4	P3	23	
G4-LA9	P6	30	
G4-LA10		30	
G4-LA13	P6	31	
G4-HR3	P6	29	
G4-HR5	P5	24	
G4-HR6	P4	24	
G4-SO1	P1	36–38, 48–56	

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SUSTAINABILITY REPORT

OF OBOLON CORPORATION

2015

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